

MINUTES - CITY OF BEAUMONT

W.L. Pate, Jr., At-Large
Dr. Alan B. Coleman, Ward I
Audwin Samuel, Ward III
Tyrone E. Cooper, City Attorney

BECKY AMES, MAYOR
CITY COUNCIL MEETING
June 10, 2014
Kyle Hayes, City Manager

Gethrel Wright, Mayor Pro Tem
Michael D. Getz, Ward II
Jamie Smith, Ward IV
Tina Broussard, City Clerk

The City Council of the City of Beaumont, Texas, met in a regular session on **June 10, 2014**, at the City Hall Council Chambers, 801 Main Street, Beaumont, Texas, at 1:30 p.m. to consider the following:

OPENING

- * Invocation Pledge of Allegiance Roll Call
- * Presentations and Recognition
- * Public Comment: Persons may speak on scheduled agenda items 1-4/Consent Agenda
- * Consent Agenda

Mayor Ames called the council meeting to order at 1:30 p.m.

Pastor Eddie McGriff with House of Prayer Baptist Church gave the invocation. Aurora Williams, granddaughter of Mayor Pro Tem Wright led the Pledge of Allegiance. Roll call was made by Tina Broussard, City Clerk.

Present at the meeting were Mayor Ames, Mayor Pro Tem Wright, Councilmembers Coleman, Getz, Pate, Samuel and Smith. Also present were Kyle Hayes, City Manager; Tyrone Cooper, City Attorney; Tina Broussard, City Clerk.

Proclamations, Presentations, Recognitions

"Bill Pickett Trail Riders 10th Annual Trail Ride Event and Zydeco Festival & Rodeo" - June 13-15, 2014 - Proclamation read by Councilmember Samuel; accepted by Acynthia Villery

Presentation – Becky Stedman addressed Council regarding the status of the Farmer's Market

Mayor Ames read the announcement regarding Executive Session being held at the conclusion of the General Business portion of the meeting.

Public Comment: Persons may speak on scheduled agenda items 1-4/Consent Agenda.

Jude Paredez

10620 Gage Rd.

Beaumont TX

Spoke regarding Item # 3 on the Agenda; a resolution authorizing the City Manager to enter into a financing agreement with Wells Fargo Bank, stated that he opposed this item, it puts the City into more debt

CONSENT AGENDA

- * Approval of minutes - **June 3, 2014**
- * Confirmation of committee appointments - **None**
- A) Authorize a payment to Jefferson County related to the renewal of an annual maintenance agreement with Motorola – **Resolution 14 - 126**
- B) Authorize the City Manager to apply for and receive funding through the Edward Byrne Memorial Justice Assistance Grant program and to execute an inter-local agreement with the City of Port Arthur and Jefferson County – **Resolution 14 - 127**
- C) Authorize the City Manager to execute all documents necessary including a Memorandum of Understanding between the City of Beaumont and the Jefferson County Correctional Facility – **Resolution 14 - 128**

Councilmember Smith moved to approve the Consent Agenda. Councilmember Samuel seconded the motion.

AYES: MAYOR AMES, MAYOR PRO TEM WRIGHT, COUNCILMEMBERS COLEMAN, GETZ, PATE, SAMUEL AND SMITH

NAYS: NONE

MOTION PASSED

GENERAL BUSINESS

1. Consider an election of Mayor Pro Tempore.

Article III, Section 6 of the City Charter states "The City Council shall elect one of its members as Mayor Pro Tempore for a one (1) year term. The Mayor Pro Tempore shall perform the duties of the Mayor in care of the absence or inability of the Mayor to perform the duties of his office, and, if a vacancy occurs, shall become Mayor for the unexpired term."

Councilmember Pate moved to **APPROVE A RESOLUTION THAT COUNCILMEMBER GETZ IS ELECTED MAYOR PRO TEMPORE FOR A ONE (1) YEAR TERM**. Councilmember Getz seconded the motion

AYES: MAYOR AMES, COUNCILMEMBERS GETZ AND PATE

NAYS: MAYOR PRO TEM WRIGHT, COUNCILMEMBERS COLEMAN, SAMUEL AND SMITH

MOTION FAILED

Councilmember Samuel moved to APPROVE A RESOLUTION THAT COUNCILMEMBER COLEMAN IS ELECTED MAYOR PRO TEMPORE FOR A ONE (1) YEAR TERM. Councilmember Smith seconded the motion

AYES: MAYOR AMES, MAYOR PRO TEM WRIGHT, COUNCILMEMBERS COLEMAN, GETZ, PATE, SAMUEL AND SMITH

NAYS: NONE

MOTION PASSED

Resolution 14 - 129

2. Consider approving an ordinance adopting gaming site regulations and licensing.

In a work session held on May13, 2014 the City Attorney's office discussed the adoption of a Gaming ordinance. Over the past several months the City Attorney's office, together with the Beaumont Police Department, has worked to develop a gaming ordinance applicable for the City of Beaumont. The purpose of this ordinance is to regulate legitimate gaming businesses through licensing and permits.

There are approximately 40 gaming sites operating in the City of Beaumont. 60% of these locations do not have the appropriate licenses or permits required by the City and/or state. The ordinance will enact permitting procedures, require visible signage, and compliance with the ordinance will also allow routine inspections by police and other city agencies; such as building codes and the fire department. The ordinance will also prohibit the operation of a gaming site within 300 feet of a church, hospital or school.

Gaming machines maintained for personal use, charitable, benevolent, educational, and religious organizations are expressly exempt under this ordinance, as well as machines used solely for the amusement of children.

This ordinance is enabled by the Texas Occupations Code and meets the State Comptroller's standards.

Councilmember Samuel moved to ADOPT AN ORDINANCE ENTITLED AN ORDINANCE AMENDING CHAPTER 6 OF THE CODE OF ORDINANCES OF BEAUMONT, TEXAS, BY ADDING ARTICLE 6.10 PROVIDING FOR THE LICENSING AND PERMITTING OF GAMING SITES AND GAMING MACHINES BEING OPERATED IN THE CITY OF BEAUMONT; PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEAL; PROVIDING A PENALTY; AND PROVIDING AN EFFECTIVE DATE. Councilmember Smith seconded the motion.

AYES: MAYOR AMES, MAYOR PRO TEM COLEMAN, COUNCILMEMBERS GETZ, WRIGHT, PATE, SAMUEL AND SMITH

NAYS: NONE

MOTION PASSED

Ordinance 14 - 023

3. Consider approving a resolution authorizing the City Manager to enter into a financing agreement with Wells Fargo Bank.

The FY 2014 Budget included bundling equipment and vehicle purchases for the Water Utilities Department, Solid Waste Division, Fire Department and Public Works Department into one financing agreement. The included list shows the equipment and vehicles that have been received, or ordered, or are still to be purchased. The estimated total is \$4,629,070.87.

Financing terms and interest rates were solicited for five year and three year terms to finance up to \$5,000,000. Four responses were received including one financing agreement, two lease purchase agreements and one general obligation bond at rates ranging from 1.02% to 1.56% for a three year agreement and 1.45% to 1.77% for a five year term.

Wells Fargo, N.A. proposed a financing agreement structured in compliance with Texas Local Government Code, Chapter 271, which allows the City to “execute, perform, and make payments under a contract with any person for the use or the purchase or other acquisition of personal property, or financing thereof” and to make payments “from a pledge of all or any part of any revenues, funds, or taxes available to the governmental agency.” The agreement is a term loan, secured by a pledge of the net revenues in the Solid Waste Fund, within the limits provided by law. This structure is favorable to the City as it relates to bond coverage requirements required by outstanding bond covenants. Payments will be drafted automatically because they are the City’s depository bank. In addition, the City may prepay the loan without penalty at any amount at any time. There are no closing fees and the rates are fixed at the rate per the bid subject to closing on or before June 20, 2014.

JP Morgan Chase Bank, N.A., proposed a tax-exempt lease purchase agreement as allowed by Chapter 271 of the Texas Local Government Code. This structure allows the City to take title to the assets upon execution of the lease agreement, while the lessor retains a security interest in the assets during the contract. The lease is structured so that the full amount of the cost is amortized for the lease period. The interest rate that Chase bid is fixed; however, the “final interest rate and payment will be agreed to 3 days prior to closing; therefore it is subject to change. In addition, Chase reserved the right to adjust the pricing proposed in order to maintain the anticipated economic return as a result of a material adverse change. The lease may be prepaid without penalty, in whole but not in part, prior to maturity after the initial 12 months from commencement subject to 30 days prior written notice. In addition, there would possibly be use of an escrow account with a fee of \$1,500.

After analyzing the bids and proposed financing agreements, it is in the best interest of the City to enter into a financing agreement with Wells Fargo Bank, N.A. for a five year term at 1.46%. The difference between 1.46% and 1.45% bid by Chase Bank is 1 basis point and amounts to approximately \$1,243 over the term of the financing.

Annual debt service will be funded by the Water Utilities Fund in the amount of \$442,384.45, the Solid Waste Fund in the amount of \$346,213.92 and the Debt Service Fund in the amount of \$173,106.96 for a total of \$961,705.33 annually.

Mayor Pro Tem Coleman moved to APPROVE A RESOLUTION THAT THE BID SUBMITTED BY WELLS FARGO BANK FOR FINANCING AGREEMENT AT A FIXED INTEREST RATE OF 1.46% FOR A FIVE (5) YEAR TERM TO FINANCE EQUIPMENT AND VEHICLE PURCHASES FOR THE WATER UTILITIES DEPARTMENT, SOLID WASTE DIVISION, FIRE DEPARTMENT AND PUBLIC WORKS DEPARTMENT, BE ACCEPTED BY THE CITY OF BEAUMONT. Councilmember Pate seconded the motion.

AYES: MAYOR AMES, MAYOR PRO TEM COLEMAN, COUNCILMEMBERS GETZ, PATE, SAMUEL AND SMITH

NAYS: COUNCILMEMBER WRIGHT

MOTION PASSED

Resolution 14 – 130

4. Consider approving a resolution authorizing the purchase of two backhoes with pavement breakers from Mustang Cat, Inc. of Houston for use by the Water Utilities Department.

The new backhoes will replace unit 5092 and unit 5089, purchased in 2005 and 2001 respectively. The new pavement breakers will replace units 5078A and 5092A, purchased in 2002 and 2005 respectively. All have become unreliable and uneconomical to maintain and have reached the end of their useful lives. The old units will be disposed of according to the City's surplus property disposal policies.

Pricing was obtained through the Houston-Galveston Area Council (H-GAC), a cooperative purchasing association providing cities and political subdivisions with the means to purchase specialized equipment at volume pricing. H-GAC complies with State of Texas procurement statutes.

Warranties of three (3) years or 5,000 hours are provided for each unit. Warranty service is provided by the dealer.

Water Utilities Fund – Financing to be obtained in fiscal year 2014 for the new equipment for Water Utilities as well as multiple other pieces of equipment for various City departments.

Councilmember Pate moved to APPROVE A RESOLUTION THAT THE CITY COUNCIL HEREBY APPROVES THE PURCHASE OF TWO (2) BACKHOES WITH PAVEMENT BREAKERS FOR USE BY THE WATER UTILITIES DEPARTMENT FROM MUSTANG CAT, INC., OF HOUSTON, TEXAS, IN THE AMOUNT OF \$181,920 THROUGH THE HOUSTON-GALVESTON AREA COUNCIL (H-GAC) COOPERATIVE PURCHASING PROGRAM. Mayor Pro Tem Coleman seconded the motion.

AYES: MAYOR AMES, MAYOR PRO TEM COLEMAN, COUNCILMEMBERS GETZ, WRIGHT, PATE, SAMUEL AND SMITH

NAYS: NONE

MOTION PASSED

Resolution 14 - 131

PUBLIC HEARING

- * Receive comments on a proposal to establish a Reinvestment Zone located in the southeastern area of the city which includes property from the Neches River to West Port Arthur Road

Open – 2:40 p.m.

None

Close – 2:40 p.m.

5. Consider approving an ordinance establishing the Reinvestment Zone for the purpose of offering economic incentives.

Texas law allows cities to offer a variety of economic incentives for development and redevelopment. Such incentives allow Beaumont to be competitive in attracting new development as well as encouraging the expansion of existing industries. One important incentive that a city can offer is a tax abatement, or the foregoing of taxes in exchange for substantial capital investment and job creation.

By Texas law, governmental entities wishing to offer tax abatements must do so in accordance with an adopted Tax Abatement Policy and the abatement must occur within an established Reinvestment Zone. The City's Tax Abatement Policy was last approved in May, 2014 and is in effect until 2016.

The City is proposing to establish a new Reinvestment Zone that would be located in the southeastern area of the city, running from the Neches River, to West Port Arthur Road (see attached map).

The creation of the Reinvestment Zone would allow the City and Jefferson County to provide tax abatements in this area. Once the Zone has been established, any abatement requests would be presented to City Council for consideration.

Councilmember Pate moved to **ADOPT AN ORDINANCE ENTITLED AN ORDINANCE DESIGNATING AN AREA AS THE GATSBY REINVESTMENT ZONE PURSUANT TO THE TEXAS REDEVELOPMENT AND TAX ABATEMENT ACT (TEXAS TAX CODE, CHAPTER 312); PROVIDING TAX INCENTIVES; PROVIDING FOR SEVERABILITY; AND PROVIDING A PENALTY.** Councilmember Samuel seconded the motion.

AYES: MAYOR AMES, MAYOR PRO TEM COLEMAN, COUNCILMEMBERS COLEMAN, GETZ, WRIGHT, PATE, SAMUEL AND SMITH

NAYS: NONE

MOTION PASSED

Ordinance 14 – 024

COUNCILMEMBER COMMENTS

COUNCILMEMBER SMITH -	CONDOLENCES TO THE CITY ATTORNEY AND HIS FAMILY ON THE LOSS OF HIS FATHER-IN-LAW, HAD A GREAT TIME AT THE JAZZ AND BLUES FEST, AS WELL AS THE CRICKET TOURNAMENT
COUNCILMEMBER SAMUEL -	CONDOLENCES TO THE PORTER AND COOPER FAMILIES
COUNCILMEMBER PATE -	THOUGHTS AND PRAYERS ARE WITH THE PORTER AND COOPER FAMILIES, THANKED TYRONE, SHARAE, SGT. CUSTARD AND THE BEAUMONT POLICE DEPARTMENT FOR THE HARD WORK THEY PUT INTO THE GAMING PERMIT ORDINANCE, ENJOYED THE JAZZ AND BLUES FEST OVER THE WEEKEND, AS WELL AS THE SPINDLE TOP SPIN, BOTH WERE A GREAT SUCCESS
COUNCILMEMBER WRIGHT -	STATED THAT LAST THURSDAY THE ANAYAT HOUSE OPENED, THIS IS A HOUSE WHERE FAMILIES CAN STAY WHEN LOVED ONES ARE IN THE HOSPITAL, IT IS A BEAUTIFUL PLACE TO SEE, CONDOLENCES TO THE PORTER AND COOPER FAMILIES, IT'S ANOTHER GREAT DAY IN BEAUMONT, CONGRATULATED COUNCILMEMBER COLEMAN ON BEING ELECTED MAYOR PRO TEM
COUNCILMEMBER GETZ -	CONDOLENCES TO THE CITY ATTORNEY AND HIS FAMILY ON THEIR LOSS, STATED THAT THE JAZZ AND BLUES FEST THIS PAST WEEKEND WAS TREMENDOUS, THE LOCATION WAS CHANGED THIS YEAR TO THE EVENT CENTRE, HOPE THAT THE CITY WILL BUILD UPON THIS FOR FUTURE JAZZ FEST, ALSO COMMENTED ON THE BISD SCHOOL BOARD MEETING, STATED THAT CITIZENS CAME TOGETHER TO COMMUNICATE TO THE SCHOOL BOARD AND THE ADMINISTRATION THAT THEY DON'T APPROVE OF THE WAY THEY ARE DOING BUSINESS AND WANT THEM TO CHANGE IT
MAYOR PRO TEM COLEMAN -	CONDOLENCES TO THE CITY ATTORNEY AND HIS FAMILY ON THEIR LOSS, JAZZ AND BLUES FEST WAS A GREAT EVENT, ANNOUNCED THAT THE CALDER TWILIGHT 5K WILL BE FRIDAY, JUNE 13, 2014 AT 7:00 P.M. IF CITIZENS HAVEN'T SIGNED UP PLEASE DO SO, THANKED COUNCIL FOR THEIR CONFIDENCE IN ELECTING HIM AS MAYOR PRO TEM
CITY ATTORNEY COOPER -	NONE
CITY MANAGER HAYES -	NONE
MAYOR AMES -	CONDOLENCES TO THE CITY ATTORNEY AND HIS FAMILY ON THEIR LOSS, COMMENTED ON THE SPINDLE TOP SPIN AS WELL AS THE JAZZ AND BLUES FEST, ALSO ANNOUNCED THE

CALDER TWILIGHT 5K, FRIDAY, JUNE 13, 2014 AT 7:00 P.M., STARTING POINT WILL BE AT 10TH AND CALDER, ENCOURAGED EVERYONE TO COME OUT AND PARTICIPATE, ALSO MENTIONED THAT SEVERAL PASTORS HAVE CONTACTED HER REGARDING BRINGING THE CITY TOGETHER ON JUNE 26, 2014, WILL BRING MORE DETAILS TO THE CITIZENS AS SOON AS SHE RECEIVES THEM

Public Comments (Persons are limited to three minutes)

None

Open session of meeting recessed at 2:52 p.m.

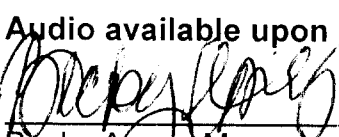
EXECUTIVE SESSION

- * Consider matters related to the purchase, exchange, lease or value of real property in accordance with Section 551.072 of the Government Code, to wit:

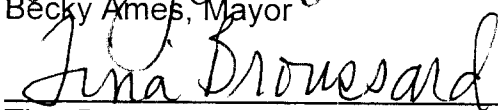
625 Orleans Street, Hotel Beaumont

There being no action taken in Executive Session, Council adjourned.

Audio available upon request in the City Clerk's Office.



Becky Ames, Mayor



Tina Broussard, City Clerk

